

**O-018-16**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 3092641  
BY SHIELD SECURITY DOORS LIMITED  
TO REGISTER THE TRADE MARK  
FORT ENGINEERING  
IN CLASSES 6 & 37  
AND**

**IN THE MATTER OF OPPOSITION  
THERE TO UNDER Nos. 404519 BY  
FORT ENGINEERING LIMITED**

## **BACKGROUND**

1) On 4 February 2015, Shield Security Doors Limited (hereinafter the applicant) applied to register the trade mark FORT ENGINEERING in respect of the following goods and services:

Class 6: Architectural metalwork for use in building; Armoured doors of metal; Armour door sheetings of metal; Armoured windows having metal frames; Building materials (metal-) in the form of panels; Building materials of metal; Building products of metal; Building structures of metal; Buildings (Fittings of metal for -); Metal doors; Steel; Steel building materials; Steel frames for building.

Class 37: Assembling [installation] of building framework; Building and construction services; Construction engineering; Construction of steel fabrications; Doors and windows (Installation of -); Double glazing installation; Engineering (construction -); Installation, changing, replacement and repair of locks; Installation of door fittings; Installation of doors; Installation of doors and windows; Installation of draught proofing for sash windows; Installation of locks; Installation of windows; Painting of window frames.

2) The application was examined and accepted, and subsequently published for opposition purposes on 17 April 2015 in Trade Marks Journal No.2015/016.

3) On 15 June 2015 Fort Engineering Limited (hereinafter the opponent) filed a notice of opposition. The opponent contends that since 4 November 2014 it has used the two signs shown in Annex 1 upon a variety of goods and services relating, broadly speaking to doors, windows, blinds some made of metal, panic rooms, sheet metal linings and armoured doors and windows. The company has made and sold these items. It has acquired goodwill and reputation for its products. It is claimed that the name FORT ENGINEERING was coined by the opponent when the company was established on 4 November 2014. It is stated that the director of the opponent company Mr Guobys had, during the period 29 October 2008 to 26 November 2014 been a director of Shield Security Doors Limited. It is claimed that when the applicant learned that the opponent company had been formed and also that a number of employees of the applicant company were leaving to join the opponent that the Managing Director of the applicant, Mr Macys, informed two employees of the opponent (Mr Drabble and Mr O'Connor) that he would make life difficult for the opponent, including registering the mark in suit. It is stated that no permission was given to the applicant by the opponent to use or register the mark and it is also alleged that the applicant has no intention of using the mark in suit. It is further alleged that the sole reason for the application is to obstruct the opponent's business. The mark in suit therefore offends against Sections 3(6) and 5(4)(a) of the Act.

4) On 14 July 2015 the applicant filed a counterstatement. The applicant stated that it has traded in security products in the UK since 2008. These products were sold under marks such as Beautiful Security and Shield Security both of which are registered as trade marks in the UK. It is claimed that in early 2014 work began on a new line of products which would be sold under the name FORT ENGINEERING. Professional pictures and promotional footage were obtained for use as advertising material. However, one of the applicant's shareholders departed and took with him all the ideas, photographs etc and set up a new company (the opponent). It is claimed that despite legal representations to return all materials generated by the applicant and to take down its website the opponent refused. The applicant contends that it therefore felt compelled to register the mark in suit to protect its intellectual property.

5) Only the opponent filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard. Only the opponent provided written submissions which I shall refer to as and when necessary in my decision.

## **OPPONENT'S EVIDENCE**

6) The opponent filed four witness statements. The first, dated 15 September 2015, is by Remigijus Guobys a Director of the opponent company. Mr Guobys states that the opponent was incorporated on 4 November 2014 (confirmed by exhibit RG1, a copy of the Companies House registration) for the manufacturing of "doors and windows of metal" (confirmed by exhibit RG3, a copy of the Companies House registration). He states that prior to starting the opponent company he was the secretary of the applicant company and an equal shareholder with the director Mr Macys (confirmed in exhibits RG5 & 6, a copy of the Companies House records). He states that he and Mr Macys had a falling out which led to him forming his own company. Mr Guobys states that his new company (Fort Engineering) was a manufacturing company which sells to installers of security windows and doors such as the applicant company. He also states that the applicant company does not manufacture doors or windows being merely an installer who buys its windows and doors mostly from Lithuania. He states that the name FORT ENGINEERING was thought up by himself and two friends in October/November 2014 and includes the word ENGINEERING because it is a manufacturer. He states that the applicant has been promoting its SHIELD brand for years and so would have no need for a new trade mark. He denies taking any promotional materials from the applicant company because he states there were no such materials generated by the applicant. He provides a number of exhibits at exhibits RG7, 8 and 10 in relation to the supply of heavy manufacturing equipment to his new company in the period November 2014 – 2 February 2015. He also includes an invoice for stationery (RG9) and the supply of components (RG 11 & 12). At exhibit RG13 he provides two invoices dated 2 December 2014 and 29 January 2015 for 39 security doors and 3 security door sets. The names and addresses of the customers and the amounts have been redacted. The invoice shows use of sign number 2 which includes a logo device. He also provides copies of a series of social media posts which show the company actually manufacturing doors and are dated prior to the date of the application in suit.

7) The second witness statement, dated 14 September 2015, is by Freddie Drabble a director of the opponent company. He states that he met with Mr Macys the director of the applicant company in January 2015 where Mr Macys stated that "he was going to make life difficult for my company". Mr Drabble also recounts a telephone conversation between another Director, Mr O'Connor, of Fort Engineering Ltd and Mr Macys which was on loudspeaker when Mr Macys stated that he had registered the mark in suit as he was "at war" with the opponent.

8) The third witness statement, dated 14 September 2015, is by Robin Carr who describes himself as a Sales Executive with Fort Engineering Ltd and also a Security Advisor to Shield Front Doors Ltd. He describes himself as being known to both Mr Macys and Mr Guobys socially as well as in business. He states that despite spending a considerable amount of time with both men in 2014 he never heard of any plans regarding the use of the name FORT ENGINEERING. He also provides copies of emails dated October 2014 in which he discusses the name for the new company being set up by Mr Guobys In which the terms "FORT" and "FORTIER" were mooted as possible names.

9) The fourth witness statement, dated 14 September 2014, is by James O'Connor a Director of the opponent company. He also recounts the meeting and telephone conversation with Mr Macys where the comments assigned to Mr Macys by Mr Drabble (see paragraph 7 above) were made.

10) That concludes my summary of the evidence filed, insofar as I consider it necessary.

## DECISION

11) I first turn to the ground of opposition under section 5(4)(a) which reads:

Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

12) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

13) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

14) First I must determine the date at which the opponent's claim is to be assessed; this is known as the material date. *In Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

"39. In *Last Minute*, the General Court....said:

'50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to

whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

15) The filing date of the application is, therefore, the material date. However, if the applicant has used its trade mark prior to this then this use must also be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant's use would

not be liable to be prevented by the law of passing-off – the comments in *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer.

16) There is no evidence of use of the applicant's mark in the UK; I shall therefore regard the relevant date as 4 February 2015.

17) I take account of the comments in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

18) I also note that in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

19) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

20) I also note that in *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by

putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

21) However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

22) The opponent has provided only two sales invoices relating to the sale of doors, both of which are so heavily redacted that I cannot tell whether the customers were from the UK or the amount paid for the goods. As such the opponent has failed at the first hurdle as the evidence is insufficient for me to conclude that the opponent has goodwill in respect of doors in the UK. **The ground of opposition under section 5(4)(a) fails.**

23) I next turn to the ground of opposition under section 3(6) which reads:

“3.(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

24) Section 3(6) has its origins in Article 3(2)(d) of the Directive, which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

25) The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

26) It is well established (paragraph 33 sub section 131 above refers) that the relevant date for consideration of a bad faith claim are the application's filing date or at least a date no later than that. In the instant case the relevant date is 4 February 2015.

27) In asserting that the mark was applied for in bad faith, the onus rests with the opponent to make a prima facie case. A claim that a mark was applied for in bad faith implies some action by the applicant which a reasonable person would consider to be unacceptable behaviour or, as put by Lindsay J. in the *Gromax* trade mark case [1999] RPC 10:

"includes some dealings which fall short of the standards of acceptable commercial behaviour".

28) The issue must be determined on the balance of probabilities. On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant's state of mind regarding the application for registration if I am satisfied that its actions in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

29) In the instant case, the opponent has made very specific claims regarding the reason why the application in suit was submitted. Whilst Mr O'Connor cannot be said to be an independent witness as he is a Director of the opponent company his recollection of a meeting and telephone conversation with Mr Macys, a director of the applicant company has not been challenged in evidence nor has a request been made to cross examine him. Indeed the applicant has filed no evidence to contradict any of the statements made. I also note that the claims made by Mr O'Connor are corroborated by Mr Carr, who appears to have a foot in both camps. Again no challenge to this evidence has been made. The applicant in its counterstatement made various claims as to the origin of the name "FORT ENGINEERING" which would have been relatively easy to substantiate e.g. invoices for the professional photographs for instance. However, instead the applicant has chosen to file no evidence and has not even provided submissions regarding the claims made.

30) I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

*“Unchallenged evidence*

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [205] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

31) The evidence seems, to my mind, very clear. The two shareholders of the applicant company, Mr Macys and Mr Guobys had a falling out and one decided to start another company under a different

name. Having launched this new company he was joined by some of the staff of the applicant company. It would appear that these actions caused the remaining director Mr Macys to apply to register the mark in suit in order to cause disruption despite being fully aware that he had no right to use the mark as it had been thought up by others with the express view that it would be the name of the new company. **As such the application was filed in bad faith and so the ground of opposition under section 3(6) succeeds.**

## **CONCLUSION**

32) The ground of opposition under section 5(4)(a) fails but the ground of opposition under section 3(6) succeeds.

## **COSTS**

33) As the opponent has mainly had a greater level of success it is entitled to a contribution towards its costs.

Expenses	£200
Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering the other side's evidence	£800
Preparing submissions	£600
<b>TOTAL</b>	<b>£1,900</b>

34) I order Shiled Security Doors Limited to pay Fort Engineering Limited the sum of £1900. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 15<sup>TH</sup> day of January 2016**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**

**ANNEX 1**

<b>Sign 1</b>	<b>FORT ENGINEERING</b>
<b>Sign 2</b>	